



3. The Chartered Accountants X, Y and Z form a partnership, profits being divisible in the ratio of 3:2:1 subject to the following:
- Z's share of profit is guaranteed to be not less than 15,000 p.a.
 - Y gives guarantee to the effect that gross fees earned by him for the firm shall be equal to his average gross fee of the preceding five years when he was carrying on profession alone (which average works out at ₹25,000).
- The profit for the first year of the Partnership is ₹75,000. The gross fees earned by Y for the firm are 16,000. You are required to show the distribution of profits.
4. A and B were in partnership sharing profits and losses in the ratio of 3:2. In appreciation of the services of their clerk C. Who was in receipt of a salary of 2,400 p.a. and a commission of 5% on the net profit after charging such salary and commission. They took him into partnership as from 1st April, 2015, giving him one-eighth share of profits.
- The agreement provided that any excess over his former remuneration to which, C becomes entitled will be born by A and B in the ratio of 2:3.
- The profit for the year ended 31st March, 2016, amounted to 44,400. Prepare statement showing the distribution of the profit amongst all the partners.

Does any one know the answer of this?



Atharva

12 hours ago

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Ques - 3

Total profit = ₹ 75,000

Conditions:

Z's minimum share is guaranteed at ₹ 15,000

Y guarantees that the firm's gross fees earned by him will be ₹ 25,000

Actual fees earned by Y = ₹ 16,000

Therefore, Y bears a deficiency of
 $(25,000 - 16,000) = ₹ 9,000$

Divide profit in the Ratio 3:2:1

Total Ratio = 6

$$X = ₹ 75,000 \times \frac{3}{6} = ₹ 37,500$$

$$Y = ₹ 75,000 \times \frac{2}{6} = ₹ 25,000$$

$$Z = ₹ 75,000 \times \frac{1}{6} = ₹ 12,500$$

Adjusted Z's guarantee

$$₹ 15,000 - ₹ 12,500 = ₹ 2,500$$

$$X \text{ bears} = ₹ 2,500 \times \frac{3}{5} = ₹ 1,500$$

$$Y = ₹ 2,500 \times \frac{2}{5} = ₹ 1,000$$

Adjusted Share

$$\begin{aligned} X &= 37,500 - 1,500 = ₹ 36,000 \\ Y &= 25,000 - 1,000 = ₹ 24,000 \\ Z &= 12,500 + 2,500 = ₹ 15,000 \end{aligned}$$

Adjust Y guarantee of Fees

$$\text{Deficiency} = 9000$$

This loss is borne only by Y
Final Share of Y
 $₹ 24,000 - 9,000 = ₹ 15,000$

final profit distribution

$$X = ₹ 36,000$$

$$Y = ₹ 15,000$$

$$Z = ₹ 15,000$$

Ques - 4

Calculate C's

Ques = 4

Situation = Old remuneration of C
Salary + Commission = ₹ 4,400

Salary = ₹ 2,400

Commission = $44,000 - 2400 = ₹ 42,000$
 $₹ 42,000 \times \frac{5}{105} = ₹ 2,000$

C's old remuneration = Salary + Commission
₹ 2,400 + ₹ 2,000 = ₹ 4,400

Calculate C's new remuneration

C's Share profit = $44,400 \times \frac{1}{8} = ₹ 5,550$

Calculated the excess

₹ 5,550 - 4,400 = ₹ 1,150

This excess is borne by A and B Ratio 2

A = $1,150 \times \frac{2}{5} = ₹ 460$

B = $1,150 \times \frac{3}{5} = ₹ 960$

Remaining profit after giving C's Share

$$44,400 - 5,550 = ₹ 38,850$$

A and B's Share 3:2

$$A = 38,850 \times \frac{3}{5} = ₹ 23,310$$

$$B = 38,850 \times \frac{2}{5} = ₹ 15,540$$

Now deduct the excess borne

$$= A = 23,310 - 460 = ₹ 22,850$$

$$B = 15,540 - 690 = ₹ 14,850$$

$$C = 5,550 + 1,150 = ₹ 6,700$$

Final answer

$$A = ₹ 22,850$$

$$B = ₹ 14,850$$

$$C = ₹ 6,700$$

$$\underline{44,400}$$